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Mr. C. V. Venkataramana Ayyangar :—" Quite apart from the question of the mill authorities calling for tenders, will the Government hereafter at least consider the desirability of calling for tenders ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Yes, Sir, I shall consider."

Proposed selling of Government interest in the Carnatic Paper Mills.

* 698-B Q.—Mr. K. V. R. Swami : Will the hon. the Minister for Development be pleased to state—

(a) when and why the Government resolved to sell their interest in the Carnatic Paper Mills ;

(b) whether the Government have informed the shareholders of any such intention on their part ;

(c) whether the Government have issued any notice to general public that they intend to sell their interest in the mills ; and

(d) if the answer to clause (b) or (c) is in the affirmative, when any such notice was given ?

A.—(a) The matter is under consideration.

(b) & (d) Notice has been served on the Mills on the 2nd October 1928.

(c) No.

Negotiations for selling the Carnatic Paper Mills.

* 698-C Q.—Mr. S. Satyamurti : Will the hon. the Minister for Development be pleased to state—

(a) at what stage the negotiations for selling the Carnatic Paper Mills stand at present ; and

(b) the terms of such sale ?

A.—(a) & (b) The question of sale can only be considered in the event of failure of the company to pay up their dues to Government.

Alleged agreement with European firms about the transfer of the mortgage bond of the Carnatic Paper Mills.

* 699 Q.—Mr. K. V. R. Swami : Will the hon. the Minister for Development be pleased to state—

(a) whether the Government have entered into an agreement with some European firm through an Indian gentleman to transfer the mortgage bond of the Carnatic Paper Mills for certain amount ;

(b) what the names of the European firm and Indian gentleman are ;

(c) when the proposal was made and by whom ;

(d) when it was accepted ;

(e) what the amount is and when it is to be paid and by whom ;

(f) whether the interests of the shareholders are safeguarded in any manner ;

(g) if so, in what manner ; and

(h) whether a copy of the agreement will be placed on the Council table ?

A.—(a) No.

(b) to (h) Do not arise.

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Mr. C. V. Venkataramana Ayyangar :—" May I know whether any understanding, if not a final understanding at least a temporary understanding, has been arrived at regarding the sale of the factory ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" No, Sir."

Mr. C. V. Venkataramana Ayyangar :—" Is it the idea to sell the Government interests alone or the whole factory ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" No decision has been arrived at."

Mr. A. Kaleswara Rao :—" How long will these people continue to supervise ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" As long as they please."

Transfer of the management of the Carnatic Paper Mills to the South Indian Trading and Industrial Corporation.

*700-A Q.—Mr. C. Ramasomayajulu : Will the hon. the Minister for Development be pleased to state—

(a) whether it is a fact that the Government have notified that the Carnatic Paper Mills may be handed over to one Mr. Natarajan on behalf of the South Indian Trading and Industrial Corporation ;

(b) whether the said order is consequential upon any decision by the Government to transfer their rights to the company ;

(c) whether prior to the passing of such order any notice was given to the shareholders concerned or whether any meeting of the shareholders was called for with a view to know the views of the shareholders ;

(d) whether it is a fact that foreclosure notice was given by the Government ; and

(e) what action the Government have taken to give effect to the opinion of this Council as indicated by the adjournment motion carried in this House on 5th September 1928 with reference to the Carnatic Paper Mills ?

A.—(a) The Government have in the interests of economy allowed the representative to supervise the property of the Mills on their behalf.

(b) No.

(c) No.

(d) A notice has been served on the company calling upon them to pay the amount due to the Government on the several mortgages executed by the company.

(e) A considerable amount of capital is required to work the Mills and Government do not feel justified in advancing this amount owing to the extreme difficulty of managing a concern of such a technical character as paper manufacture and it is obvious that without competent management the concern would not be a success.

Mr. C. Ramasomayajulu :—" May I know why no meeting of the shareholders was called for and no intimation given to them ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" It is not necessary."